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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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10/728,488

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7590
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06/23/2008

EXAMINER

JOHNSON, GREGORY L

ART UNIT

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PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No. 10/728,488	Applicant(s) WARREN, MARC S.	
	Examiner GREGORY JOHNSON	Art Unit 3691	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 20 May 2008.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-7 and 9-12 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-7 and 9-12 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413) |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____ |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

1. This communication is in response to the Request for Continued Examination filed on May 20, 2008.

Status of Claims

2. Claims 1 and 9-11 have been amended. Claims 2-7 are original. Claim 8 is cancelled. Claim 12 is new. Claims 1-7 and 9-12 are pending.

Claim Rejections - 35 USC § 101

3. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 1-7 and 9-12 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

The independent claims 1 and 12 recite a process comprising the steps of acquiring, dividing and establishing. Based on Supreme Court precedent, a proper process must be tied to another statutory class or transform underlying subject matter to a different state or thing (*Diamond v. Diehr*, 450 U.S. 175, 184 (1981); *Parker v. Flook*, 437 U.S. 584, 588 n.9 (1978); *Gottschalk v. Benson*, 409 U.S. 63, 70 (1972); *Cochrane v. Deener*, 94 U.S. 780, 787-88 (1876)). Since neither of these requirements is met by the claims, the method is not considered a patent eligible process under 35 U.S.C. 101. To qualify as a statutory process, the claim should positively recite the other statutory class to which it is tied to, for example by identifying the apparatus that performs the method steps (i.e. acquiring, dividing and establishing) or positively reciting the subject

matter that is being transformed, for example by identifying the material that is being changed to a different state.

Claims 2-7 and 9-11 are rejected to because of their dependency on claim 1.

Claim Rejections - 35 USC § 103

4. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

5. The factual inquiries set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.
4. Considering objective evidence present in the application indicating obviousness or nonobviousness.

6. Claims 1-7 and 12 are rejected under 35 U.S.C. 103(a) as being unpatentable over Wohlstadter, Pub. No. 2002/0198833 (hereinafter Wohlstadter), in view of Chaganti, Pub. No. 20050080705 (hereinafter Chaganti), Sugahara, Pat. No. 7,310,616 (hereinafter Sugahara), Brisbois, Pub. No. 2004/0267647 (hereinafter Brisbois), Tripp, Pub. No. 2007/0027787 (hereinafter Tripp) and Barron's Dictionary of Finance and Investment Terms (hereinafter Barron).

As to claims 1-7, Wohlstadter, Chaganti and Sugahara discloses and teaches the invention substantially as claimed as set forth in the Office Action mailed on March 20, 2008.

Applicant has amended claim 1 to include the following new limitation:

- acquiring shares of ownership in a property represented by a security and issued by a business enterprise, the shares of ownership being acquired by an administrator.

Neither Wohlstadter, Chaganti nor Sugahara discloses and teaches this new limitation.

However, Brisbois teaches a method in which capital market products such as bonds, equities and the like, employing a life settlement policy as collateral (e.g. the property) against repayment of principle. Brisbois teaches that a bond issuer (e.g. the business enterprise) uses the policy options to obtain a firm, written commitment from the underwriter (e.g. administrator) to purchase the inventive life settlement bond issue (e.g. shares; Abstract and ¶0059). It would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to include in the securities exchange system of Wohlstadter, the methods of issuing, servicing and redeeming capital market products such as bonds and equities as taught by Brisbois, since the claimed invention is merely a combination of old elements, and in the combination each element merely would have performed the same function as it did separately, and one of ordinary skill in

that art would have recognized that the results of the combination were predictable.

See MPEP 2143 (Rev. 6, Sept 2007).

Applicant also amended claim 1 to include the following new limitations:

- dividing the set of rights into portions by the administrator; and
- establishing a market in the portions by the administrator.

Neither Wohlstadter, Chaganti nor Sugahara discloses and teaches this new limitation.

However, Tripp teaches a data processing method for introducing an asset-backed fixed-income security, in which an accrued interest in the form of Accrual Rights is stripped off (e.g. dividing out rights) from a certificate (e.g. financial instrument). Tripp also teaches the creation of a market where the Accrual Rights are sold. It would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to include in the securities exchange system of Wohlstadter, the method of stripping off rights and creating a market where they can be sold as taught by Tripp, since the claimed invention is merely a combination of old elements, and in the combination each element merely would have performed the same function as it did separately, and one of ordinary skill in that art would have recognized that the results of the combination were predictable. See MPEP 2143 (Rev. 6, Sept 2007).

Applicant argues that the Sugahara reference doesn't teach the following limitation because there is "an obligation" attached to the repurchase.

- wherein in said market, ... a repurchasing of the portions from the investors, said repurchasing enabling a holder of one of said portions to regain a divided-out right from one of said investors.

The Examiner has interpreted Sugahara as teaching the limitation. However, the Examiner has withdrawn the Sugahara rejection, in view of new grounds of rejection.

Barron teaches a method for a share repurchase plan and a stock buyback process. It would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to include in the securities exchange system of Wohlstadter, the method of a share repurchase or stock buyback as taught by Barron, since the claimed invention is merely a combination of old elements, and in the combination each element merely would have performed the same function as it did separately, and one of ordinary skill in that art would have recognized that the results of the combination were predictable. It would also have been obvious to one of ordinary skill in the art at the time of Applicant's invention to substitute shares with rights, since the claimed invention is simply a substitution of one known element for another, and one of ordinary skill in that art would have recognized that the results of the substitution were predictable. See MPEP 2143 (Rev. 6, Sept 2007).

The limitations of claim 12 are equivalent to the limitations of claim 1, and are therefore rejected on the same grounds.

7. Claim 9 is rejected under 35 U.S.C. 103(a) as being unpatentable over Wohlstadter, Chaganti, Sugahara, Brisbois, Tripp and Barron as applied to claims 1 and 8 above, and further in view of Earle, Pat. No. 5,262,942 (hereinafter Earle) as set forth in the Office Action mailed on March 20, 2008.

8. Claims 10 and 11 are rejected under 35 U.S.C. 103(a) as being unpatentable over Wohlstadter, Chaganti, Sugahara, Brisbois, Tripp and Barron as applied to claims 1 and 8 above, and further in view of Wallman, Pat. No. 6,601,044 (hereinafter Wallman) as set forth in the Office Action mailed on March 20, 2008.

Response to Arguments

9. Applicant's arguments with respect to claims 1-7 and 9-12 have been considered but are moot in view of the new ground(s) of rejection.

Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to GREGORY JOHNSON whose telephone number is (571) 272-2025. The examiner can normally be reached on Monday - Friday, 8:30AM - 5:00PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, ALEXANDER KALINOWSKI can be reached on (571) 272-6771. The fax

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phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/Lalita M Hamilton/
Primary Examiner, Art Unit 3691

GREGORY JOHNSON
Examiner, Art Unit 3691